

SECRET

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Hungary

SUBJECT Working out of the "New Course"

PLACE ACQUIRED

DATE ACQUIRED

DATE (OF INFO.)

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

DATE DISTR. / 2 Mar 1954

NO. OF PAGES 2

NO. OF ENCLS.

SUPP. TO
REPORT NO.

25X1

25X1

1. The most perceptible loosening of controls under the "new course" was in the agricultural area, where members were permitted to leave the kolkhozes. In the spring of 1953 there were in Hungary 5,315 kolkhozes with about 500,000 members. In Jan 1954 there were 4,677 kolkhozes remaining, with about 263,000 members. That is, some 12 percent of the kolkhozes were dissolved, but about 50 percent of the members left, a very striking fact in view of the pressures exerted to retain the peasants.
2. There has been a partial restoration of freedom in small crafts and businesses, in communities with less than 3,000 inhabitants. In Szabolc (sic) county alone, 400 small businesses were reopened in accordance with this decree within a single month. In the same county 31 handworkers took out state loans to the amount of 80,000 forints.
3. With the exception of a few small ones, the Hungarian internment camps had been dissolved at the end of 1953. Deportees were allowed to return freely.
4. It is also well established that the AVH has suffered a diminution of 25 percent. The discharged officers and soldiers have been taken into industry. A considerable number of regular soldiers have also been released from the expiration of their terms.
5. During the last six months [1953] about 1,000 Hungarian Jews have received official permission to go to Palestine.
6. Shortage of raw materials has produced slow-ups in the armament industry during recent months. Several armament plants dismissed numbers of workers; at the Budapest Ganz factory, 300 were let go. The most striking feature was that those retained were not kept on the basis of political reliability and Communist training, as formerly, but for technical skill. Another striking fact in this area is that in Nov and Dec 1953 a number of armaments industries agreed "voluntarily" to produce civilian goods outside their quotas.

SECRET

T. PAGE FOR SUBJECT

DISTRIBUTION	STATE	ARMY	NAVY	AIR	FBI			
--------------	-------	------	------	-----	-----	--	--	--

This report is for the use within the USA of the intelligence components of the Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

25X1

S.S.A.

- end -

722.101	37M
135.31	37M
812.2	37M(RK)
117.915	37M
762	37M
112	37M
135.1	37M
176.1	37M
103.47	37M

SECRET